REMARKS

This amendment is responsive to the Office Action mailed February 5, 2008. Applicant has carefully considered the cited art and the comments provided in the Office Action. Reconsideration of the present application is requested.

Claim 1 has been amended slightly to confirm that the new contra-side best market price is received in advance while the market-related condition is satisfied by the input received at the market participant's computer. Claim 4 has been amended slightly to confirm that the selected party is notified of the new contra-side best market price in advance of the other market participants. Claim 7 has been amended slightly to confirm that if a recently posted price is a new contra-side best market price, the method includes automatically notifying the selected party of the new contra-side best market price. Claims 11, 16, and 20 have been amended slightly for grammatical purposes. New Claims 21-27 have been added. Claims 1-27 are thus pending in the application.

In the Office Action, Claims 1-20 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Madoff et al. (U.S. Patent Application Publication No. 2001/0044767) in view of Hirayama (U.S. Patent No. 6,944,879). For the reasons discussed below, applicant traverses the claim rejections and asserts that the claims are in fact patentable over Madoff and Hirayama.

Patentability of Claims 1-27

Applicant has considered the Madoff and Hirayama references and finds that neither Madoff nor Hirayama (alone or combined) teaches or suggests the elements of Claims 1-27. The references thus do not support a *prima facie* rejection of the claims under 35 U.S.C. § 103(a). The claim rejections should be withdrawn.

Patentability of Claims 1-3 and 21-25

Claim 1 is directed to a method of facilitating trading at a market that includes prices for a side and a contra-side of the market. The method includes, in part:

> **receiving input at a market participant's computer, wherein the market participant is a trading party participating in the market with**

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1420 Fifth Avenue
Suite 2800
Seattle, Washington 98101
206.682.8100

other market participants, and wherein the input satisfies a market-related condition.

The Office Action cited Hirayama as disclosing the above features of Claim 1. Applicant disagrees. As per its abstract, Hirayama allegedly teaches:

> A data-providing system comprising a first data-transmitting section (control unit 1), a control section (control unit 3), and a second data-transmitting section (control unit 3). The first data-transmitting section transmits a continuous stream of content data that consists of multimedia content groups, each composed of program data and auxiliary data items. The control section processes data items obtained by dividing each program data, attribute data of the auxiliary data items and user profile data, thereby to automatically assemble new data. The second data-transmitting section changes the order in which to transmit the auxiliary data items inserted in a program, in accordance with the new data assembled by the control section.

Hirayama has nothing to do with facilitating trading at a market that includes prices for a side and a contra-side of the market, nor does Hirayama teach a method that includes "receiving input at a market participant's computer, wherein the market participant is a trading party participating in the market with other market participants, and wherein the input satisfies a market-related condition."

The Office Action cited Hirayama at Col. 5, lines 25-40; Col. 6, lines 1-42; and Col. 13, lines 1-14. For ease of reference, the foregoing sections of Hirayama are repeated as follows:

> The program-providing section 10 incorporated in the system 100 has a communication function 10A of receiving data from, and transmitting data to, the CM sponsor section 20, authoring section 30 and charge-settling section 50. The program-providing section 10 has a data-depositing function 10B that transmits programs and accompanying data to the authoring section 30. The accompanying data includes program prices for users, BY(backyard)-side program equivalent conditions, possible cue positions designated. Further, the program-providing section 10 has a program-providing function 10C that supplies program data to the CM sponsor section 20. Moreover, the program-providing section 10 has a charge-settling function 10D, which settles charges in accordance with the periodical statement sent from the charge-settling section 50 and concerning each player, i.e., a CM sponsor.

(Hirayama, Col. 5, lines 25-40)

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CHRISTENSEN O'CONNOR JOHNSON KINDNESS PLLC
1420 Fifth Avenue
Suite 2800
Seattle, Washington 98101
206.682.8100

. . . authoring section 30 has a CM-group designating function 30C that designates at least one of CM groups included in a CM library, which should be inserted into a specified program, in accordance with the advice made by the CM sponsor section 20. The CM-group designating function 30C also allocates programs codes designating the programs into which CM groups should be inserted, in accordance with the advice made by the CM sponsor section 20. The CM groups designated by the CM-group designating function 30C will be called "CM sets" hereinafter. The authoring section 30 has a first registering/storing/transmitting function 30D. This function 30D registers, stores and transmits the program prices for users, i.e., the prices the users should pay for the programs transmitted (or not transmitted) to them. The first registering/storing/transmitting function 30D also registers, stores and transmits the BY-side program equivalent conditions, i.e., the conditions in which the suppliers (players such as CM sponsors, transmission server owners, authoring function owners, charge-settling function owners, program providers and the like) transmit (or do not transmit) programs. The authoring section 30 has a second registering/storing/transmitting function 30E, which determines the order in which the CM sets prepared for a certain program should be transmitted, in accordance with the advice made by the CM sponsor section 20. The function 30E stores the order thus determined, as a CM-transmission list. The function 30E registers, stores and transmits the CM advantages and disadvantages that the users may have when CMs designated in the CM-transmission list are transmitted (or not transmitted). The authoring section 30 further has a third registering/storing/transmitting function 30F. This function 30F registers, stores and transmits the BY-side CM equivalent conditions specifying the equivalents which should be paid among the suppliers (players such as CM sponsors, transmission server owners, authoring function owners, charge-settling function owners, program providers and the like) when the CMs included in the CM-transmission list are transmitted (or not transmitted). The authoring section has a charge-settling function 30G, too. The charge-settling function 30G settles charges in accordance with the periodical statement sent from the charge-settling section 50 and concerning each player, i.e., each authoring function.

(Hirayama, Col. 6, lines 1-42)

In the first Step S1, the data-depositing function 10B of the program-providing section 10 transmits programs and accompanying data to the authoring section 30 (Step S1a). The accompanying data includes the program prices for user, the BY-side program equivalent conditions, the possible cue positions designated, and the like. In the authoring section 30, the first registering/storing/transmitting function 30D receives and stores the programs, program prices for user, BY-side program equivalent conditions and possible cue positions designated, all transmitted from the

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CHRISTENSEN O'CONNOR JOHNSON KINDNESS PLLC
1420 Fifth Avenue
Suite 2800
Seattle, Washington 98101
206.682.8100

> program-providing section 10 (Step S1b). The cue-mark inserting function 30B inserts cue marks into the programs (S1c), each mark being a signal indicating where in a program a CM can be inserted.

(Hirayama, Col. 13, lines 1-14)

A review of these sections of Hirayama (and indeed, the entire Hirayama reference) confirms that Hirayama fails to teach any elements of Claim 1 of the present application. There is nothing in Hirayama to suggest a market with prices for a side and a contra-side of the market, nor is there anything to suggest market participants participating in the market with other market participants. Additionally, it is nowhere evident that Hirayama teaches "receiving input at a market participant's computer, . . . [which] input satisfies a market-related condition."

In *KSR International Co. v. Teleflex Inc.*, 550 U.S. __, ___, 82 U.S.P.Q.2d 1385, 1395-97 (2007), the Supreme Court indicated that the key to supporting any rejection under 35 U.S.C. § 103 is a clear articulation of the reason(s) why the claimed invention would have been obvious. See also, M.P.E.P. § 2143. Further, applicant notes that under 37 C.F.R. § 1.104(c)(2), describing the Office's responsibility, under the "Rejection of Claims" heading, that "when a reference is complex or shows or describes inventions other than that claimed by the applicant, the particular part relied on must be designated as nearly as practicable. The pertinence of each reference, if not apparent, must be clearly explained and each rejected claim specified." The Office Action has failed to properly designate the parts of Hirayama and Madoff relied upon as *nearly as practicable* in rejecting the pending claims. The Office Action broadly cites several portions of Hirayama (as well as Madoff, discussed below) but does not *clearly explain* how the disclosure teaches any of the claimed features.

Should the Examiner maintain Hirayama as a reference that is relevant to the patentability of Claim 1, it is imperative that the Examiner identify *with particularity* the features of Hirayama that allegedly disclose the features of Claim 1.

Given the fact that Hirayama teaches nothing about facilitating trading at a market, applicant agrees with the Office Action (page 2) which concedes that Hirayama fails to teach "at

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CHRISTENSEN O'CONNOR JOHNSON KINDNESS PLLC
1420 Fifth Avenue
Suite 2800
Seattle, Washington 98101
206.682.8100

the market participant's computer, receiving a new contra-side best market price in advance of the other market participants as a result of satisfying the market-related condition and only while the market-related condition is satisfied by the market participant." Nevertheless, applicant strongly disagrees that Madoff overcomes the deficiencies of disclosure of Hirayama.

Claim 1 was clarified such that it recites "**automatically, at the market participant's computer, receiving a new contra-side best market price in advance of the other market participants as a result of satisfying the market-related condition and only while the market-related condition is satisfied by the input received at the market participant's computer**." The Office Action did not indicate which aspect of Madoff teaches the foregoing features of Claim 1.

As explained by applicant in prior responses to the Patent Office, Madoff's process merely operates in a conventional fashion and attempts to match newly received orders with other orders. See, for example, paragraph 55, lines 5-7, of Madoff which states "the process 100 exposes 104 the order to the crowd, i.e., potential responders 14, via an electronic broadcast over the network systems mentioned above." In other words, *all orders* are exposed to *all participants* at the *same time*, as is done in conventional market systems.

The Office Action further failed to identify which aspect of Madoff constitutes the claimed "market-related condition" that the input must satisfy for the market participant's computer to receive a new contra-side best market price in advance of the other market participants, as claimed in Claim 1. Applicant submits there are no market-related conditions disclosed by Madoff that, when satisfied, result in the market participant's computer receiving a new contra-side best market price in advance of the other market participants.

In the Office Action (page 2), the Examiner alleged:

> Madoff discloses according to an aspect of the invention, a method of auctioning products over a distributed networked computer system is provided [sic]. The method is executed over the system and includes entering an order for a product. The order can specify a price. The price can be a fixed price, a relative price or a market price. The order also

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1420 Fifth Avenue
Suite 2800
Seattle, Washington 98101
206.682.8100

> specifies a quantity and an exposure time. The process also includes entering a response to an order, the response specifying a price, pride improvement, and quantity and matching the order with the response in accordance with the exposure time specified by the order.

While applicant does not concede that the foregoing presents an accurate description of Madoff, applicant submits the description is entirely inapposite to the patentability of Claim 1. The above description has no bearing on the features of the present application in which "a new contra-side best market price" is received at a market participant's computer "in advance of the other market participants as a result of satisfying the market-related condition and only while the market-related condition is satisfied by the input received at the market participant's computer."

In support of the rejection of Claim 1, the Office Action (page 3) cited the Abstract and paragraphs [0006]-[0011] of Madoff. For reference, the Abstract of Madoff reads as follows:

> A system for auctioning financial products over a distributed, networked computer system includes a plurality of workstations for entering orders for financial products into the distributed, networked computer system. The orders specify a price for the financial product, a quantity of the financial product and exposure time which the order can remain active. The system also includes a plurality of workstations for entering predefined relative indication and responses to orders for the product. The predefined relative indications specify a willingness to trade. The responses specify a price and quantity. The system includes a server computer coupled to the workstations for entering the orders, predefined relative indications, and the responses, with the server computer executing a server process that for a first one of said orders, determines a match to said first order with the predefined relative indications, responses and contra-side orders during an interval determined by the exposure time specified by said first order.

The remaining paragraphs [0006]-[0011] are too lengthy to repeat herein. However, applicant has carefully reviewed the cited passages, and indeed the entire disclosure of Madoff, and finds nothing that teaches or suggests the features of Claim 1, including "automatically, at the market participant's computer, receiving a new contra-side best market price in advance of the other market participants as a result of satisfying the market-related condition and only while the market-related condition is satisfied by the input received at the market participant's computer."

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1420 Fifth Avenue
Suite 2800
Seattle, Washington 98101
206.682.8100

The Office Action further cited paragraphs [0055]-[0057] and [0062], which are repeated as follows (with emphasis added for discussion purposes):

> [0055] Referring now to FIGS. 10A-10B, a server process 100 that may be executed on the auction system 20 is shown. The server process 100 receives an order 101 entered by the order side 12 of the system 10, via the order entry format 101 (FIG. 10A). *The process 100 exposes 104 the order to the crowd, i.e., potential responders 14, via an electronic broadcast over the network systems mentioned above. The system 10 displays the size of the order and the order remains displayed for the life span of the order or until an execution ends the auction.* The process 100 compares 106 the order to any existing pre-defined relative indications, contra-side orders or responses (if responses are chosen to have a lifetime as discussed below) that exist in the system 10 at order receipt.
>
> [0056] If there are pre-defined relative indications or contra-side orders or responses (if responses have a lifetime) in the system 10, *the process 100 will attempt to match 108 those existing pre-defined relative indications or contra-side orders or responses to the order.* For predefined relative indications, the match process 108 will examine the pre-defined relative indication that exists, at the best price and which is the oldest at that best price, and will determine whether that pre-defined relative indication matches any conditions that may exist with the order. The same criteria could be applied to existing contra-side orders or responses. *If there is a match, the order will be executed 110 with that pre-defined relative indication.*
>
> [0057] If there is not a match, the process can iterate through a queue of pre-defined relative indications, contra-side orders and responses to determine the next oldest pre-defined relative indications, contra-side orders and responses at that best price to determine a match. The match process 108 attempts to find the pre-defined relative indications, contra-side orders and responses with the best price improvement or best price, as appropriate, and that is the oldest in the auction system 20 at that price improvement and which satisfies all conditions of the order and validating constraints that may apply. For example, if a price is specified outside of the NBBO [National Best Bid/Offer] it may be matched by the system 20 but will not pass validation. The system 20 can adjust the price so that it falls at the NBBO at the time of the execution.
>
> . . .
>
> [0062] An alternative arrangement to that shown above could have the process 20 allow responses to have a lifespan coextensive with the lifespan of the auction process. If the system 20 allows responses to have a lifespan, but if there are no other orders, the process 100 will expire (not shown) all remaining responses in the system 20.

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1420 Fifth Avenue
Suite 2800
Seattle, Washington 98101
206.682.8100

A review of these paragraphs of Madoff again shows that Madoff does not teach or suggest the elements recited in the claims. Madoff's process simply tries to match newly received orders with other orders in a conventional fashion. See, for example, paragraph [0055], lines 5-7 (quoted above) in which Madoff states "the process 100 exposes 104 the order to the crowd, i.e., potential responders 14, via an electronic broadcast over the network systems mentioned above." Orders received at the process 100 are exposed to all of the participants at the same time, as is done in conventional market systems.

As the Office Action fails to provide a proper 35 U.S.C. § 103(a) rejection and the cited references do not disclose all the recitations of Claim 1, applicant respectfully requests that the § 103(a) rejection be withdrawn and the claim allowed.

Claims 2 and 3, as well as new Claims 21-25, are also patentable over Hirayama and Madoff, both for their dependence on allowable Claim 1 and for the additional subject matter they recite. For example, Claim 3 recites the method of claim 1, "*wherein the input satisfies the market-related condition by providing the best market price for a side of the market.*" Claim 25 further defines the "best market price" recited in Claim 3 for the sell side and the buy side of the market. According to Claim 25, "*for a sell side of the market, the best market price is the lowest ask price that any of the market participants have offered to take to sell*," or "*for a buy side of the market, the best market price is the highest bid price that any of the market participants have offered to pay to buy.*" Applicant submits it is proper to withdraw the claim rejections and allow Claims 2-3 and 21-25.

Patentability of Claims 4-7 and 26-27

Claim 4 is directed to a method of facilitating trading that includes "automatically . . . selecting a party to receive notification of a new contra-side best market price in advance of other market participants, wherein the selected party is a market participant participating in a market with the other market participants" and "automatically . . . notifying the selected party of the new contra-side best market price in advance of the other market

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1420 Fifth Avenue
Suite 2800
Seattle, Washington 98101
206.682.8100

participants." The method further includes "automatically . . . measuring a predetermined time from when notification of the new contra-side best market price was sent to the selected party and, after the predetermined time has elapsed, notifying the other market participants of the new contra-side best market price."

The Office Action (page 3) rejected Claim 4 as being unpatentable over Hirayama in view of Madoff. Applicant strongly disagrees, and submits that Claim 4 is in fact patentable over Hirayama and Madoff. In addition to reasons similar to those discussed above relative to Claim 1, applicant submits that Hirayama and Madoff fail to teach any aspect of measuring a predetermined time from when notification of a new contra-side best market price is sent to a selected party and, after the predetermined time has elapsed, notifying other market participants of the new contra-side best market price. Absent specific facts supporting a *prima facie* case of obviousness, withdrawal of the rejection of Claim 4 based on Hirayama and Madoff is proper.

Claims 5-7, as well as new Claims 26 and 27, are also patentable over Hirayama and Madoff, both for their dependence on allowable Claim 4 and for the additional subject matter they recite. For example, Claim 5 recites the method of claim 4, "*wherein the selected party is a provider of a best market price for a side of the market.*" Claim 27 further defines the "best market price" recited in Claim 5 for the sell side and the buy side of the market. According to Claim 27, "*wherein for a sell side of the market, the best market price is the lowest ask price that any of the market participants have offered to take to sell*," or "*for a buy side of the market, the best market price is the highest bid price that any of the market participants have offered to pay to buy.*" Accordingly, applicant submits it is proper to withdraw the claim rejections and allow Claims 5-7 and 26-27.

Patentability of Claims 8-12

Claim 8 is directed to a system for facilitating trading that includes prices for a side and a contra-side of the market. The system according to Claim 8 includes a computer having a processing component configured to select a party to receive notification of a new contra-side

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1420 Fifth Avenue
Suite 2800
Seattle, Washington 98101
206.682.8100

best market price in advance of other market participants. The processing component measures a predetermined time from when notification of a new contra-side best market price is sent to the selected party and, after the predetermined time has elapsed, the processing component notifies the other market participants of the new contra-side best market price.

The Office Action (pages 4-5) rejected Claim 8 as being unpatentable over Hirayama and Madoff. Applicant disagrees, and submits that Claim 8 is patentable over Hirayama and Madoff. Nothing in Hirayama or Madoff suggests a computer having a processing component configured to select a party to receive notification of a new contra-side best market price in advance of other market participants, nor do Hirayama or Madoff suggest a processing component that measures a predetermined time from when notification of a new contra-side best market price is sent to the selected party and, after the predetermined time has elapsed, notifies the other market participants of the new contra-side best market price.

Claims 9-12 are also patentable over Hirayama and Madoff, both for their dependence on allowable Claim 8 and for the additional subject matter they recite.

Patentability of Claims 13-17

Claim 13 is directed to a computer-accessible medium having executable instructions stored thereon for facilitating trading. The instructions cause a computer to select a party to receive notification of a new contra-side best market price in advance of other market participants, wherein the selected party is a market participant participating in the market with the other market participants.

The instructions further cause the computer to notify the selected party of the new contra-side best market price and measure a predetermined time from when notification of the new contra-side best market prices is sent to the selected party, and after the predetermined time has elapsed, to notify the other market participants of the new contra-side best market price.

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1420 Fifth Avenue
Suite 2800
Seattle, Washington 98101
206.682.8100

Claim 13 is patentable over Hirayama and Madoff for reasons similar to those discussed above in regard to Claims 1 and 8. Claims 14-17 are also patentable over Hirayama and Madoff, both for their dependence on allowable Claim 13 and for the additional subject matter they recite.

Patentability of Claims 18-20

Claim 18 is directed to a computer-accessible medium having executable instructions stored thereon for facilitating trading at a market. The market has a best market price for a side of the market and a best market price for a contra-side of the market. The instructions cause a computer providing the market to (1) receive an order having a new price for a side of the market, and (2) determine if the new price is better than the best market price for the side of the market. When the new price is better than the best market price for the side of the market, the instructions further cause the computer to (1) identify a trading party that is currently providing the best market price for the contra-side of the market, and (2) notify the trading party of the new price, wherein the notification is sent to the trading party in advance of sending notification of the new price to other market participants in the market. The trading party is thus given a first look at the new price before the other market participants.

Applicant disagrees that Hirayama and Madoff disclose the features recited in Claim 18, notwithstanding the Examiner's citation of Hirayama at Col. 5, lines 25-40; Col. 6, lines 1-42; and Col. 13, lines 1-14; and Madoff at paragraphs [0006]-[0011], [0055]-[0057], [0062] and the abstract. Where Hirayama and Madoff fail to teach or suggest the elements of Claim 18, applicant submits that Claim 18 is in patentable condition. Claims 19-20 are also patentable over Hirayama and Madoff, both for their dependence on Claim 18 and for the additional subject matter they recite.

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CHRISTENSEN O'CONNOR JOHNSON KINDNESS PLLC
1420 Fifth Avenue
Suite 2800
Seattle, Washington 98101
206.682.8100

CONCLUSION

The disclosures of Hirayama and Madoff are deficient and do not support a *prima facie* case of obviousness of Claims 1-27. The rejection of the claims should be withdrawn and the claims allowed. Should any issues remain, the Examiner is invited to discuss the issues with the undersigned counsel by telephone.

Respectfully submitted,

CHRISTENSEN O'CONNOR
JOHNSON KINDNESS[PLLC]

Kevan L. Morgan
Registration No. 42,015
Direct Dial No. 206.695.1712

LAW OFFICES OF
CHRISTENSEN O'CONNOR JOHNSON KINDNESS[PLLC]
1420 Fifth Avenue
Suite 2800
Seattle, Washington 98101
206.682.8100